

April 27, 2012

Ms. Lenita Jacobs-Simmons
Regional Administrator
U.S. Department of Labor
Employment & Training Administration
The Curtis Center, Suite 825 East
170 South Independence Mall West
Philadelphia, Pennsylvania 19106-3315

Dear Ms. Jacobs-Simmons:

Maryland is requesting an extension on the submission of its integrated State Plan until September 15, 2012. This additional time will allow for the comprehensive process of integrating the local plans and strategies of our 12 workforce areas, as well as ensuring the appropriate public comment periods. Additionally, the State is requesting an extension of Maryland's current Workforce Investment Act (WIA) and Wagner-Peyser Act (W-P) activities, previously approved Waivers for Program Year (PY) 2012,

The March 27, 2012, Training and Employment Guidance Letter (TEGL) No. 21-11 provides the states options to have approved plans in place for Program Years 2012-2016. In addition, the current, previously approved waivers are summarized within along with a brief rationale for requesting an extension.

New Waiver Request

In compliance with WIA Section 189(i) (4) (B) and 29 CFR 661.420(c), please accept the following request for waiver. This Waiver is to reduce the number of statewide activities required and the requirement to provide incentive grants to local areas.

The intent of this Waiver request is to reduce the number of statewide activities required under the Workforce Investment Act Law for the duration of the Governor's Reserve reduction from 15 percent to 5 percent. Without this funding, we will not be able to complete these activities, and will experience difficulties in completing other mandatory activities that we are not allowed to waive.

A. Statutory or Regulatory Requirements to be Waived:

WIA Section 134(a) (2) (B) (iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas.

B. State or Local Statutory or Regulatory Barriers

There are no state statutory, local statutory or regulatory barriers related to this waiver request.

C. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted

The reduction to five percent in the WIA allotment for Program Year 2011 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the Governor's Reserve is insufficient to cover the cost of incentive grants to local areas, dissemination of training provider performance and cost information. The state's reduced funds are being used to cover the following activities:

- Providing technical assistance to local areas that fail to meet local performance measures. (WIA Section 134(a)(2)(B)(vi) and 20 C.F.R. 665.200 (b)(1);
- Submitting required reports (WIA Section 136 (f);
- Disseminating the list of eligible training providers for adults and dislocated workers (WIA Section 134(a)(2)(B)(i) and C.F.R. 665.200 (b)(1), and youth activities (20 C.F.R. 665.200 (b)(4);
- Assisting in the establishment and operation of One-Stop delivery systems, in accordance with the strategy described in the State workforce investment plan. (WIA sec. 112(b)(14);
- Operating a fiscal and management accountability information system, based on guidelines established by the Secretary after consultation with the Governors, chief elected officials, and One-Stop partners, as required by WIA section 136(f). (WIA sec. 129(b)(2), 134(a)(2), and 136(e)(2).

Our goal in seeking this waiver is to ensure that the state may prioritize the use of the Governor's Reserve funds for the required activities we deem most essential to the basic functions of the workforce investment system, releasing us from the requirements below.

Individuals impacted by the Waiver

This waiver will provide the state agency with more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

Process for monitoring progress in implementation

The State will monitor progress and ensure accountability for Federal funds in connection with these waivers by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Our goal in seeking this waiver is to ensure that the state may prioritize the use of the Governor's Reserve funds for the required activities we deem most essential to the basic functions of the workforce investment system releasing us from the requirements below.

1. WIA Section 134(a) (2) (B)(iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas; and

The goal of this waiver is to offset the burden imposed by the elimination of the 10 percent discretionary budget. Local service providers will need to work solely with formula allocations, which were slightly increased. This

reduction in funding will impact programmatic outcomes, as service providers often use local incentive award funding to provide direct services, such as to fund resource room staff and training programs.

D. Description of Individuals Impacted by the Waivers

This waiver will provide Maryland's DLLR/DWDAL with more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

WIA Section 134(a) (2) (B) (iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas;

Depending upon the Local Workforce Investment Area customers will be impacted by a reduction in funding available for direct services. Some of Maryland's LWIAs rely on these funds to pay for training of staff. The expectation is there will be minimal impact on individual customers as service providers received a slight increase in formula allocations.

E. Process for monitoring progress in implementation

As outlined in the waiver request template, the State will monitor progress and ensure accountability for Federal funds in connection with these waivers by reviewing monthly expenditure, performance and other reports through frequent contact with the ETA Regional Project Officer and the State of Maryland monitoring, performance and accountability system.

F. Notice to affected local boards and public comment

Local workforce administrative entities will be provided a copy of this proposed waiver request as well as the US DOL/ETA's reply to this request. Local areas have already been notified (during a recent WIA Meeting) that no incentive grants will be made in Program Year 2012 due to the loss of Governor's 10 Percent WIA funds.

G. Extension request for previously approved Waivers

Waiver of the required 50 percent employer contribution for customized training at WIA Section 101 (8) (C)

Maryland was previously granted a waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale for the employer contribution based on the size of the business.

Waiver of WIA Section 101 (31) (B) to increase the employer reimbursement for on-the-job training

Maryland was previously granted a waiver to permit an increase in employer reimbursement for on the job training through a sliding scale based on the size of the business.

Waiver of WIA Section 133 (b) (4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area

Maryland was previously granted a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. Under this waiver, transfer authority is limited to 50 percent.

Waiver to permit the State to replace the performance measures at WIA Section 136 (b) with the Common Measures

Maryland was previously granted a waiver that allows the State to replace the 17 performance measures under WIA Section 136 (b) with the common measures.

Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers

Maryland was previously granted a waiver of the time limit on the period of initial eligibility of training providers provided at 20 CFR 663.530.

Waiver of the Prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of school-youth

Maryland was previously granted a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older and out-of-school youth program participants.

Public Comment

The proposed new waiver and extension of previous waivers request will be posted on the agency's official website with instructions regarding the submittal of comments and closing date for comments.

Should you have questions, please contact Paulette Francois, Assistant Secretary, Division of Workforce Development and Adult Learning at 410 767-2999 or pfrancosis@dllr.state.md.us.

Sincerely,

A handwritten signature in blue ink that reads "Francois".

Paulette Francois
Assistant Secretary
Department of Labor, Licensing & Regulation
Division of Workforce Development & Adult Learning

CC: Kim Vitelli, U.S. Department of Labor
Alexander C. Sanchez, Secretary, DLLR
Ellen Flowers-Fields, Deputy Assistant Secretary, DLLR/DWDAL
Dorothee Norton, Director, Fiscal, DLLR/DWDAL
Sheree Finley, Director, Office of Workforce Development